



SMALL BUSINESS ADMINISTRATION

Delegations of Authority: Delegations of Authority No. 12-G (Revision 1), Amendment 2

AGENCY: U.S. Small Business Administration.

ACTION: Notice of amendment to delegations of authority.

SUMMARY: This document provides the public notice of the second amendment to Delegations of Authority (Delegations), No. 12-G (Revision 1) as first amended by Amendment 1 which delegated authority for lender oversight and enforcement activities by the Administrator of the Small Business Administration (“SBA” or “Agency”) to the Director, Office of Credit Risk Management (D/OCRM), the Lender Oversight Committee (LOC), and the Associate Administrator for Office of Capital Access (AA/OCA). By this second amendment (hereinafter “Amendment”), the Administrator is revising the voting membership of the Agency’s LOC to ensure compliance with requirements set forth in statute. This second amendment also updates the provision on the LOC’s authority to redelegate certain enforcement actions.

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SUPPLEMENTARY INFORMATION: This document provides the public notice of the second amendment to Delegations of Authority No. 12-G (Revision 1) (79 FR 56842, September 23, 2014) with respect to SBA's lender oversight and enforcement activities. Specifically, this Amendment revises the voting members in the Agency’s Lender Oversight Committee (LOC).

Section 48(b) of the Small Business Act (15 U.S.C. 657u(b)) governs LOC membership. This section provides that the LOC consists of at least eight members.

Three members of the LOC are to be voting members; two of whom must be career appointees in the Senior Executive Service.¹ By amendment dated September 26, 2018 (83 FR 48681), SBA designated the following employees as the voting members of the LOC: (i) the Chief Financial Officer, a Senior Executive Service career appointee; (ii) the Associate Administrator for Capital Access, a Senior Executive Service non-career appointee; and (iii) the Associate Administrator for Disaster Assistance, a Senior Executive Service career appointee. The Chief Financial Officer also served as the LOC Chairperson. 83 FR 48681.

In January of 2022, SBA appointed a non-career member of the Senior Executive Service to the Associate Administrator for Office of Disaster Assistance (AA/ODA) position. Accordingly, SBA is amending the voting membership of the LOC to ensure compliance with the position requirements contained in 15 U.S.C. 657u. Effective with this Amendment, the following SBA employees are designated as the voting members of the LOC: (i) the Chief Financial Officer, a Senior Executive Service career appointee; (ii) the Associate Administrator for OCA, a Senior Executive Service non-career appointee; and (iii) the Deputy Associate Administrator for the Office of Investment and Innovation (DAA/OII), a Senior Executive Service career appointee. The Chief Financial Officer will continue to serve as the LOC Chairperson. Additionally, the LOC non-voting advisory membership will remain the same.

Delegations of Authority No. 12-G (Delegations) also provides for redelegation of the LOC's authority to approve enforcement actions. Specifically, paragraph IV of the Delegations states that the LOC may redelegate to the D/OCRM or a subcommittee the authority to approve, disapprove, or modify certain enforcement actions and lists, by way of example, Agreement, or Memorandum of Understanding (MOU). Subsequent to SBA publishing these examples in 2014, SBA updated 13 CFR 120.1500 on types of formal

¹ The remaining members are to be non-voting members who serve in an advisory capacity on the LOC.

enforcement actions. Therefore, SBA is replacing Agreement or MOU to cite instead imposition of portfolio guaranty dollar limit, a type of formal enforcement action under 13 CFR 120.1500.

This Amendment replaces sections I.B.6. and IV of the Delegations in its entirety, which cover LOC membership, voting, and redelegations, as set forth below. All other sections of the Delegations are unchanged and continue in effect.

Delegations of Authority No. 12-G (Revision 1) is amended by revising sections I.B.6. and IV to read as follows:

B. To the Lender Oversight Committee:

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6. The Lender Oversight Committee will consist of SBA's: (i) Chief Financial Officer (CFO) (Chairperson and voting member); (ii) AA/OCA (voting member); (iii) DAA/OII (voting member); (iv) D/OCRM (non-voting, recommending advisory member); (v) Director, Office of Financial Assistance (non-voting advisory member); (vi) Director, Office of Financial Program Operations (non-voting advisory member); (vii) Associate Administrator, Office of Field Operations (non-voting advisory member); and (viii) General Counsel (non-voting advisory member).

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IV. Other than the authority delegated to the Lender Oversight Committee in Paragraph I.B.2.b. (enforcement actions), the authorities delegated herein to the Lender Oversight Committee may not be redelegated. With regard to the authority delegated in Paragraph I.B.2.b., the Lender Oversight Committee may redelegate authority to the D/OCRM or a subcommittee to approve, disapprove, or modify certain enforcement actions (e.g., imposition of portfolio guaranty dollar limit).

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Authority: 5 U.S.C. 302; 5 U.S.C. 552(a)(1)(A); 15 U.S.C. 631 note; 15 U.S.C. 634; 15 U.S.C. 636; 15 U.S.C. 642; 15 U.S.C. 650; 15 U.S.C. 657t and 657u; 15 U.S.C. 697d, 697e, and 697g; 2 CFR. 2700 et. seq; and 13 CFR. 120.10, 120.802 and Subpart I.

Isabella Casillas Guzman,
Administrator.

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